

# TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

## Before the Federal Communications Commission Washington D.C.

In the Matter of

Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
	)	
Lifeline and Link-Up	)	WC Docket No. 03-109
	)	
	)	
Advancing Broadband Availability Through Digital Literacy Training	)	WC Docket No. 12-23
	)	
	)	

### Comments of the Tennessee Regulatory Authority

The Tennessee Regulatory Authority ("TRA") respectfully submits these comments in response to the Federal Communications Commission's ("FCC") *Lifeline Reform Order*.<sup>1</sup> The TRA appreciates the FCC's steps to make the Lifeline program more efficient and accountable. While the Lifeline program was in obvious need of reform, several of the additional reforms proposed in the *Lifeline Reform Order* may have the effect of decreasing access to the Lifeline program or facilitating federal action when state prerogatives should be respected.

---

<sup>1</sup> *Lifeline and Link Up Reform and Modernization et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Dkt. Nos. 11-42 *et al.*, CC Dkt. No. 96-45, FCC 12-11 (rel. Feb. 6, 2012) (*Lifeline Reform Order*).

The TRA is concerned that the FCC may “... condition receipt of federal Lifeline funds on state implementation of an eligibility database.”<sup>2</sup> It is clear that the effort to combat waste, fraud and abuse of the Lifeline program requires easy, electronic access to data necessary to determine program eligibility. Absent a readily available federal funding source to facilitate the creation of such databases, the FCC is imposing an unfunded mandate upon the states. The alternative of allowing states to transmit data to a national database appears to facilitate lower compliance costs for states compared to the creation of eligibility databases by each state. While the cost is likely lower, the state will still incur unrecovered costs for programming and hardware purchases necessary to facilitate data sharing with a national database.

As noted above, the TRA believes that any state database creation or data sharing requirement should be accompanied by federal funding. The *Lifeline Reform Order* proposes using Universal Service Fund monies to support the creation of a state eligibility database. To the extent that the FCC has legal authority to allow Universal Service Fund disbursements to be used for state eligibility database creation, the TRA supports using such funds to ensure that the federal requirement is fully funded. The TRA notes that the manner in which Universal Service Fund monies are disbursed and the terms of the disbursement is important. To avoid the potential for states to have uncovered expenses in implementing eligibility databases, all funds necessary for program implementation should be advanced to the states.

The *Lifeline Reform Order* seeks comment on the request to “... allow incumbent wireline Lifeline providers to choose whether to participate in the Lifeline program..” under the premise that wireline companies are no longer the dominant providers of voice services.<sup>3</sup> The TRA suggests that the FCC defer any decision on this matter until a factual record concerning the availability of alternatives to wireline providers of Lifeline telephone service. In the alternative, simply deferring to state regulatory commissions the decision of whether to allow a wireline Lifeline provider to curtail service is preferable. All state commissions are keenly aware of the numerous wired or wireless

---

<sup>2</sup> *Lifeline Reform Order*, Para. 405.

providers of Lifeline telephone service. The TRA is concerned that allowing incumbent wireline Lifeline providers to exit the Lifeline market may leave vulnerable populations facing higher monthly expenditures for telephone service even though there are many providers of competing phone service. To allay such concerns, the FCC could engage in fact finding to ensure that comparably priced service offerings are available across the footprints of incumbent wireline Lifeline providers. Preferably, the FCC would allow states to decide if incumbent Lifeline providers can discontinue serving Lifeline customers. States, being closer to their constituents, can more accurately determine service pricing and consider other state-specific factors in making the decision.

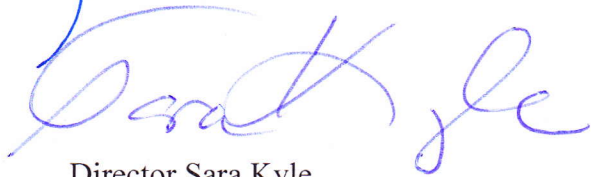
Dated: April 2, 2012

Respectfully submitted,

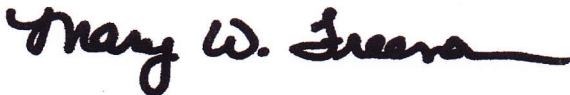
The Tennessee Regulatory Authority



Chairman Kenneth C. Hill



Director Sara Kyle



Director Mary W. Freeman

---

<sup>3</sup> *Lifeline Reform Order*, Para. 503.